

396a Elizabeth St

NORTH HOBART,
TASMANIA

FOR SALE by expressions of Interest



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Introduction.

Knight Frank has the exclusive opportunity to offer for sale 396a Elizabeth Street, North Hobart.

The property is offered for sale by Expressions of Interest closing 4pm, Thursday, 8 October 2020.

396a Elizabeth Street, North Hobart occupies the prized corner position within the heart of the "Lygon Street" of Hobart and opportunities of this calibre are very rare to the market.

The property comprises an attractive part two level mixed retail and residential building of brick construction that was originally constructed circa 1910. It is currently configured with two ground floor retail tenancies (bottleshop and take away food/restaurant) plus a large 2 bedroom residential unit.

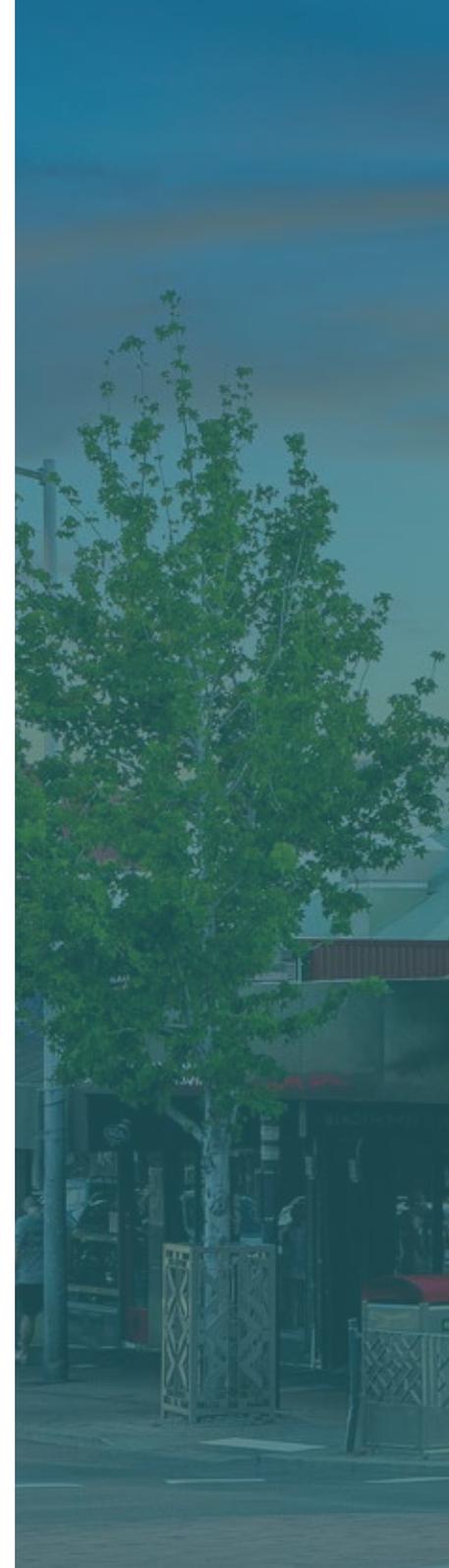
The property is fully occupied with a total gross income of approximately \$ 161,691 pa excl GST with a WALE of approximately 2.1 years. There is opportunity to add value with rental growth on the residential flat, which is considered to be currently well below market parameters.

The property offers a first class opportunity to secure a key asset in the heart of North Hobart's vibrant commercial precinct. The precinct has gone from strength to strength in recent years further consolidating its spot as Hobart's cultural hub and an inner city destination location of choice.

Despite the global effect of COVID-19, Tasmania has largely remained unaffected and according to the Commonwealth Bank of Australia's recent "State of the States", Tasmania is now in top spot on Australia's economic performance rankings.

Executive summary.

ADDRESS:	396a Elizabeth Street, North Hobart
LOCATION:	Situated in a prized corner position on the “Lygon Street” of Hobart, in the heart of North Hobart’s popular retail precinct.
BUILDING:	Part two level conjoined mixed use building with two ground floor retail tenancies plus a large two bedroom residential unit on the upper level.
LETTABLE AREA:	400 sqm (approx)
SITE AREA:	284 sqm (approx)
ZONING:	“General Business”
OCCUPANCY:	Fully occupied
ESTIMATED NET INCOME:	\$139,034 pa excl GST
METHOD OF SALE:	For Sale by Expressions of Interest closing 4pm 8th October 2020



Investment highlights.



Outstanding corner location
in the heart of North Hobart's popular restaurant/café precinct.



Opportunity to **Value add**



Fully leased
to 3 tenants



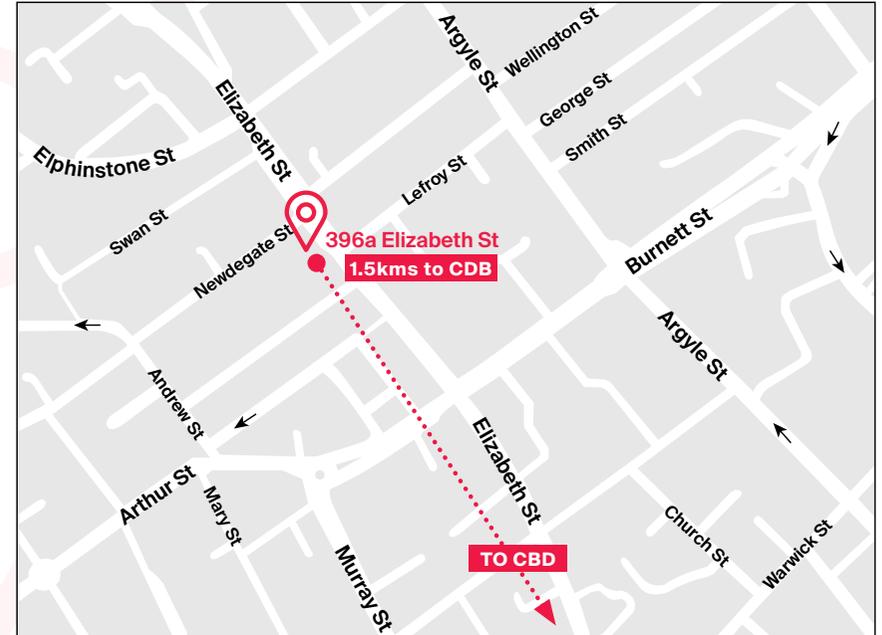
CBA State of the States report July 2020...
Tasmania's economy #1

Location.

396A Elizabeth Street, North Hobart is one of North Hobart's highest profile properties being situated "on" the roundabout at the key intersection of Elizabeth and Newdegate Streets, within North Hobart's highly desirable and tightly held commercial precinct, approximately 1.5 kilometres north west of Hobart's city centre. It holds the prized corner position with extensive frontages to Elizabeth (14.73 metres) and Newdegate (19.20 metres) Streets.

North Hobart's commercial precinct has developed into a vibrant café and restaurant strip, commonly referred to as the "Lygon Street of Hobart". The Elizabeth Street restaurant strip features a number of award winning restaurant and entertainment offerings including the ever expanding and highly popular State Cinema complex situated adjacent, the Republic Bar, Queens Head and Winston Hotels, Capital Restaurant, Willing Bros, Room for a Pony, Burgerhous, Born in Brunswick, Pancho Villa, Annapurna, The Roaring Grill, Boodle Beasley to name a few. Also within the vicinity are various professional offices, retail premises, showrooms and residences and apartments.

The property is set to benefit from future residential developments in the precinct as a number of infill development sites have changed hands in recent years with significant high density residential apartments mooted, which will further strengthen the precinct and provide increased custom to traders.





396a Elizabeth Street,
North Hobart

outline indicative only

Tasmanian economic overview.



Tasmania leads the nation

For the first time since October 2009, Tasmania holds the mantle of the best performing economy in its own right. Tasmania is now Australia's best performing economy.

In the CBA's "State of the States" report July 2020, Tasmania is now in top spot on the economic performance rankings. Tasmania leads on four of the eight economic indicators; relative population growth, relative unemployment, equipment investment and retails trade. Tasmania ranks second on two other indicators.

Retail spending in Tasmania was 14.8 per cent above decade average levels in the March quarter. Strong relative population growth, higher home prices and home building are key supports for retail spending.

Tasmania has the strongest job market despite the COVID-19 shock



Economic growth
up **21.2%**



Business/
equipment
investment
up **14.2%**



Housing
finance
growth
up **7.5%**



Dwelling
commencement
up **20.5%**



House price
growth
up **8.2%**



Wage
growth
up **2.4%**



Construction
work
up **18.8%**

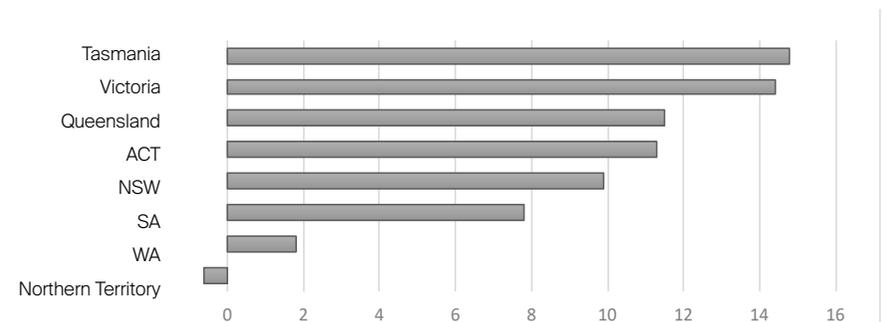


Annual population
growth
up **0.97%**

RETAIL SPENDING

Tasmania is now strongest for spending

(percent change March quarter on decade average)



Title & site area.

396a Elizabeth Street, North Hobart is contained within the following Certificate of Title with the respective site area:

Volume 111899 Folio 1
286 sqm (approximately)

A copy of the Certificate of Title and Plan is attached to this Information Memorandum.

In addition to the site which the building is constructed upon, the property enjoys a “Benefiting Right of Way” over the laneway adjacent to the rear south western boundary providing external access from Newdegate Street to the rear roller door to the bottleshop tenancy.

A copy of the Certificate of Title and Plan is attached to this Information Memorandum.



Planning.

The property is currently zoned 'General Business' under the Hobart Interim Planning Scheme 2015.

According to the Hobart Interim Planning Scheme 2015, the purpose of this zone is as follows:

- To provide for business, community, food, professional and retail facilities serving a town or group of suburbs;
- To facilitate residential use above ground floor level;
- To ensure development is highly accessible by public transport, walking and cycling;
- To ensure that the design of development is sympathetic to the setting and compatible with the character of each of the business centres in terms of building scale, height and density;
- To ensure that the proportions, materials, openings and decoration of building facades contribute positively to the streetscape and reinforce the built environment of the area in which the site is situated;
- To ensure that vehicular access and parking is designed so that the environmental quality of the local area is protected and enhanced;

The Local Area Objectives are:

- To maintain, reinforce and enhance the function, character, appearance and distinctive qualities of each of the identified business centres as follows:
 - (a) The Elizabeth Street area, North Hobart as a day time local shopping area and night time restaurant destination with neither function becoming dominant;

The zoning of "General Business" provides a good degree of flexibility with various retail, business and professional services, residential, hotel, or visitor accommodation uses either "Permitted" or "Discretionary".

A copy of the zoning Table of Uses is included in this Information Memorandum.



Improvements.

The property comprises a conjoined, part two level mixed use building described as follows:

CONSTRUCTION

Floors:	Concrete and timber
Main External Walls:	Brick
Window Frames:	Aluminium and timber
Roof:	Corrugated galvanized iron & metal deck
Construction Year:	Circa 1910

LETTABLE AREAS

Tenancy 1 - Black Heart & Sparrow:	220 sqm (approx)
Tenancy 2 - Kalbi:	80 sqm (approx)
Residential Unit:	100 sqm (approx)
TOTAL:	400 sqm (approx)

Accommodation

The ground floor comprises two retail tenancies whilst the upper level comprises a large 2 bedroom residential unit.

Tenancy 1 is currently leased to Black Hearts and Sparrows which is a national boutique bottleshop. The tenancy has significant window frontage to Elizabeth Street and comprises a large open plan retail area plus walk-in cool-room. At the rear there is a store/loading area with rear roller door access, plus stairs providing access to staff amenities on the upper level including a kitchen/lunchroom, bathroom, store, and an office.

In the window frontage of the bottleshop there is an ANZ ATM.

Tenancy 2 is situated on the corner section of the property and has significant window frontage to both Elizabeth and Newdegate Streets. It currently trades as "Kalbi Korean Restaurant" and comprises a dining and service area with commercial kitchen to the rear, plus toilet, coolroom and store.

The residential flat on the upper level is accessed via a stairwell from Newdegate Street and comprises two bedrooms, combined bathroom and laundry, hallway and large open plan kitchen, dining and lounge room.

Lease details.

The leases are summarised as follows:

TENANCY 1: BLACK HEARTS & SPARROWS BOTTLESHOP

Premises:	Ground floor area and first floor area marked on the plan at 396 Elizabeth St, North Hobart
Tenant:	Warner Ghaile Pty Ltd
Guarantor:	Paul Anand Ghaie
Lease Commencement:	1 June 2018
Term:	5 years
Lease Expiry:	31 May 2023
Options:	5 years + 5 years + 5 years
Current Rental:	\$77,250 pa + GST
Rent Reviews:	3.0% pa including on exercise of each option period.
Outgoings:	The Tenant is responsible for 61.25% of the Council Rates, Taswater rates and Land Tax. It is also responsible for services charges such as electricity and telephone
Permitted Use:	Wine sales for consumption off the demised premises plus complementary services

Black Hearts & Sparrows are a Melbourne based boutique bottleshop with 12 stores nationally.

TENANCY 2: KALBI KOREAN RESTAURANT

Premises:	Approximately 65 sqm comprising the take-away shop shown on the plan at 396a Elizabeth St, North Hobart
Tenant:	Simon Jee Soo Park
Guarantor:	N/A
Lease Commencement:	19 July 2017
Term:	5 years
Lease Expiry:	18 July 2022
Options:	5 years
Current Rental:	\$49,771 pa + GST
Rent Reviews:	3.0% pa including on exercise of each option period.
Outgoings:	The Tenant is responsible for 26% of the Council Rates, Taswater rates and Land Tax. It is also responsible for services charges such as electricity and telephone
Permitted Use:	Café / take-away / restaurant

Lease details cont.

TENANCY 3: ATM - ANZ

ANZ currently occupy on a monthly basis a small section in the window frontage of Tenancy 1 (Bottleshop) at a current gross rent of \$4,502 pa excl GST.

TENANCY 4: RESIDENTIAL UNIT

The upper level residential unit is currently occupied on an informal basis at \$200 per week to a friend of the owner. This is considered to be well below market parameters.



Net Income

Black Hearts & Sparrows Bottleshop	\$77,250 pa Excl GST
Kalbi Korean Restaurant	\$49,771 pa Excl GST
ANZ ATM	\$4,502 pa Excl GST
Residential Unit (\$200 pw)	\$10,400 pa

Plus recovered outgoings

Black Hearts & Sparrows Bottleshop (61.25%)	\$13,877 pa excl GST*
Kalbi Korean Restaurant (26.0%)	\$5,891 pa excl GST*
Total Gross Income	\$161,691 pa excl GST*

Less Statutory Outgoings

Council Rates 20/21	\$9,285 pa
Land Tax 20/21	\$10,088 pa
Taswater 19/20	\$3,284 pa
Total	(\$22,657)*

**Budgeted Income
(before owner outgoings)**

\$139,034 pa excl GST*
(*approximate)

Financials



Additional information.

Additional Information

Knight Frank has on file further due diligence information available on request to qualified purchasers:

- Lease documentation
- Statutory charges invoices
- Contract of sale

Agents' Details



Knight Frank
5 Victoria Street
Hobart TAS 7000

Richard Steedman
M: 0408 559 046
E: richard.steedman@au.knightfrank.com

Matthew Wright
M: 0458 290 588
E: matthew.wright@au.knightfrank.com



Sale process & solicitor's details.

396a Elizabeth Street, North Hobart, is being offered for sale by Expressions of Interest closing 4 pm ADST, Thursday, 8 October 2020.

Inspections of the property are by appointment only and all parties must be accompanied by a member of the sales team. For further information or to arrange a full inspection of the property please contact Knight Frank.

Prospective purchasers are requested to submit their proposals in the attached Expression of Interest form.

Following the close of Expressions of Interest process, there will be an assessment period during which the Vendor may or may not select a shortlist of parties with whom to further treat.

A copy of the contract of sale is available from the selling agents.

Expression of Interest

Expression of Interest are required to be lodged in the attached prescribed form.

Vendor Solicitor's Details

BENN DANCE - Partner

10 Victoria Street, Hobart, Tasmania 7000

Direct Telephone: 03 6235 9311

Email: benn.dance@murdochclarke.com.au



Disclaimer.

This Information Memorandum has been prepared as a general outline only for the guidance of potential purchasers. It does not constitute advice, a valuation or an offer or contract by Knight Frank, or any of the vendors or their related entities or associates.

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This Information Memorandum has been prepared in good faith and with due care. It does not purport, however, to contain all of the information that potential purchasers may require. In addition, it contains information provided by the vendors or third parties, which Knight Frank has not independently verified.

Potential purchasers should not rely on any of the information in this Information Memorandum (including but not limited to figures, calculations, descriptions, photographs, dimensions, references to conditions or permissions for use and occupation) as statements or representations of fact. Areas, amounts, measurements, distance and all other numerical information is approximate only. Any photographs show only certain parts of the property as it appeared at the time they were taken. Except where otherwise indicated, all references to rent, income or price are GST exclusive. Potential purchasers must make their own independent inspection and other enquiries to satisfy themselves as to the accuracy, correctness and completeness of the information. Potential purchasers should also seek independent financial, taxation, accounting, legal and other advice to assist them in making their own decisions and assessment appropriate to their circumstances.

Any projections, analyses or other forward looking information are estimates only, are not representations of future matters and may be based on

assumptions that, while currently considered reasonable, may not be correct. Actual results may vary from projected results (and variations may be material). No employee, agent or representative of Knight Frank or any of the vendors is authorised to make or give any representation or warranty whatsoever in relation to this property.

To the extent permitted by law, Knight Frank, the vendors and each of their related entities and associates expressly disclaim any liability for any direct, indirect or consequential loss or damage (whether foreseeable or not) which may arise out of or result from any person or entity, or their agents or representatives, acting on or relying upon all or any part of the information contained in this Information Memorandum notwithstanding any negligence, default or lack of care.

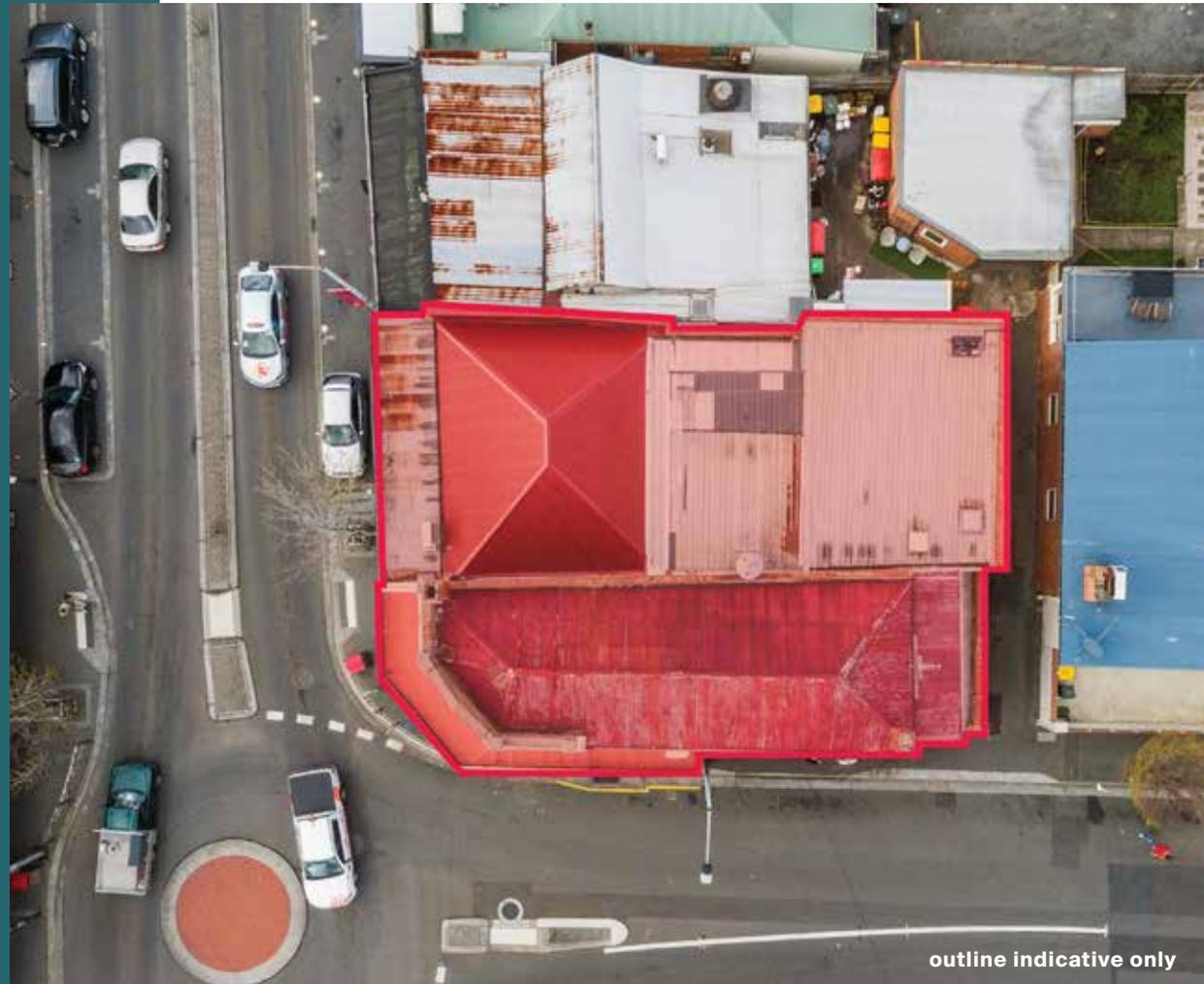
To the extent permitted by law, the property will be transferred or sold 'as is' and 'with all faults', without any representation or warranty as to its condition, fitness for any particular purpose, or compliance with any relevant law, regulations or codes.

The vendors reserve the right, at their sole discretion, to postpone or cancel the proposed transfer or sale of the property and to modify or add any terms and conditions to any proposed contract, vendors' statement or other material associated with the proposed sale, which may be made available to a potential purchaser.

Nothing in this disclaimer should be interpreted as attempting to exclude, restrict or modify the application of any applicable provisions of the Australian Consumer Law or a person's rights to make a claim in respect of any consumer guarantees or other provisions of the Australian Consumer Law.

Appendices.

Certificate of Title
Zoning Table of Uses
Expressions of Interest Form



outline indicative only

SEARCH OF TORRENS TITLE

VOLUME 111899	FOLIO 1
EDITION 7	DATE OF ISSUE 16-Nov-2012

SEARCH DATE : 07-Sep-2020
SEARCH TIME : 01.54 PM

DESCRIPTION OF LAND

City of HOBART
Lot 1 on Plan 111899
Being the land described in Indenture of Conveyance 61/4994
Derivation : Part of 11 acres 1 rood 0 perches granted to John
Dunn
Derived from A15407

SCHEDULE 1

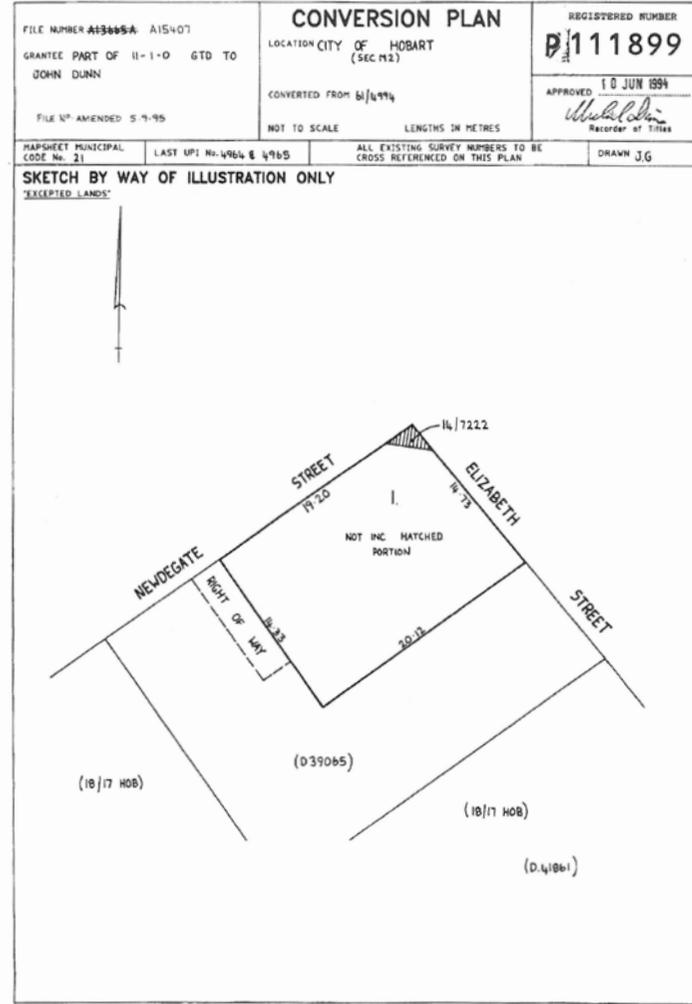
(C436442 B970317) D40532 VOULA DELIOS Registered
24-Jan-2012 at 12.01 PM

SCHEDULE 2

Reservations and conditions in the Crown Grant if any
40/9876 CONVEYANCE: BENEFITING EASEMENT: Right of Carriageway
over the Right of Way shown on Plan No.111899
D40533 MORTGAGE to Australia and New Zealand Banking Group
Limited Registered 24-Jan-2012 at 12.02 PM

UNREGISTERED DEALINGS AND NOTATIONS

No unregistered dealings or other notations



21.2 Use Table

No Permit Required	
Use Class	Qualification
Any permitted use	Only if replacing an existing use on the site and there is no associated development requiring a permit
Residential	Only if home-based business
Utilities	Only if minor utilities
Permitted	
Use Class	Qualification
Business and professional services	Except if a bank on the properties at 59-65 Queen Street or 267-275 Sandy Bay Road, Sandy Bay Except if consulting rooms on the properties at 17 and 19 Gregory Street
Community meeting and entertainment	
Educational and occasional care	Only if above ground floor level, (except for access).
Food services	Except if a take away food premises with a drive through facility Except if a restaurant or take-away food premises on the properties 59-65 Queen Street, Sandy Bay
General retail and hire	Except if adult sex product shop or supermarket Except if a shop on the property at 267-275 Sandy Bay Road unless it is ancillary to or in association with the community and fund raising activities of the Church at 275 Sandy Bay Road
Passive recreation	
Residential	Only if above ground floor level (except for access).
Research and development	Only if above ground floor level (except for access).
Discretionary	
Use Class	Qualification

Bulky goods sales	
Custodial facility	Only if a remand centre.
Educational and occasional care	Except if Permitted.
Emergency services	
Equipment and machinery sales and hire	
Food services	Except if permitted Except if a restaurant, drive through take-away or take-away food premises on the properties 59-65 Queen Street, Sandy Bay
General retail and hire	Except if permitted
Hospital services	
Hotel industry	Except if adult entertainment venue.
Natural and cultural values management	
Research and development	Except if permitted.
Residential	Except if No Permit Required or Permitted.
Service industry	Only if an extension to an existing use.
Sports and recreation	
Tourist operation	
Transport depot and distribution	
Utilities	Except if No Permit Required.
Vehicle fuel sales and service	Must have frontage and access to Sandy Bay Road

Vehicle parking	
Visitor accommodation	<p>Except if camping and caravan park or overnight camping area</p> <p>Except if a motel, bed and breakfast accommodation or backpacker accommodation on the properties at 59-65 Queen Street, Sandy Bay</p>
Prohibited	
Use Class	Qualification
All other uses	

Expressions of interest form.

Offer to be lodged as follows:

Attention:

Richard Steedman and Matthew Wright
Knight Frank, 5 Victoria Street, Hobart TAS 7000

Proposed Purchase

Purchaser:

Name: _____ ABN: _____

Address: _____

Phone: _____ Email: _____

Purchaser's Solicitor:

Firm Name: _____

Address: _____

Phone: _____ Email: _____

Solicitor: _____

Purchaser's Consultant: _____

Proposed Purchase Price: 396a Elizabeth Street, North Hobart

AU\$: _____

In Words: _____

Deposit: _____

Settlement Terms: _____

Conditions: _____

(Australian Dollars - Exclusive of GST)

Expressions of interest form.

In submitting this offer form, the Prospective Purchaser specifically acknowledges and agrees that:

- 1. The Contract of Sale has been reviewed by the Prospective Purchaser.
- 2. The purchase price of 396a Elizabeth Street, North Hobart together set out in this form is based on the acceptance of the Contract of Sale as submitted by the Vendor.
- 3. If there is any discrepancy between the Contract of Sale and any other documentation made available, the provisions of the Contract of Sale will prevail.
- 4. The Prospective Purchaser is in a position to exchange Contracts within ten (10) business days of being notified that the proposed purchase price has been accepted, subject to availability of professional services.

In submitting this offer, the Prospective Purchaser also acknowledges and agrees that the Vendor specifically reserves the following rights:

- 1. To accept or reject any offer in its absolute discretion, including the highest offer made and without having to attribute reasons therefore or to be accountable in any way.
- 2. Not to be contractually bound in any way by the submission of an offer form signed by a Prospective Purchaser.
- 3. Not to sell the property

Name: _____

Company Title: _____

Company Name: _____ ABN: _____

Signature: _____

(Having authority to sign on behalf of the above mentioned company – if purchasing in the name of a company)

Date: _____

Contact Details: _____

NB: Should you wish to provide any further information, please submit same with this document, ensuring the Purchaser’s name is clearly noted on all the annexed documentation for identification purposes.



5 Victoria Street, Hobart T: 03 6220 6999
54 Cameron Street, Launceston T: 03 6333 7888
48-54 Oldaker Street, Devonport T: 03 6424 3568